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JOINT INSPECTION UNIT

Management in the United Nations

Note by the Secretary-General

The Secretary-General has the honour to submit to the General Assembly his comments on the report of the Joint Inspection Unit entitled "Management in the United Nations: work in progress" (JIU/REP/95/8-A/50/507).

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ANNEX

Comments of the Secretary-General on the report of the Joint Inspection Unit entitled "Management in the United Nations: work in progress" (JIU/REP/95/8-A/50/507)

I. GENERAL

1. The Secretary-General welcomes the important contribution made by the report towards a comprehensive assessment of the efforts to establish a new management culture in the Secretariat. A major strength of the report's analysis lies in reviewing the most recent initiatives in this area against the historical background of management reforms in the United Nations. It also identifies a number of long-standing impediments to improving the United Nations capacity to deliver programmes effectively and efficiently, while meeting the essential requirements of transparency and managerial accountability. In view of the importance of its subject-matter, the report was considered by the Advisory Panel on Management and Finance, which noted the thoughtful and balanced nature of the report's conclusions and recommendations and recognized its value in bringing together most of the major management problems of the Organization.

2. Management reforms in the United Nations do not occur in a vacuum. Many international organizations and national Governments undergo this difficult but necessary process. The Joint Inspection Unit has a comparative advantage of being well placed to study the lessons of similar endeavours elsewhere and bring their relevance to the attention of the United Nations. While the United Nations is unique in some respects, the report would have been enhanced by relating the problems and the search for solutions in the Organization to those in other international and national public institutions, for example, by drawing on some success case studies.

3. It should also be recalled that the Organization's character and role are determined, in a decisive measure, by the priority objectives set by Member States. The Secretary-General considers the issues of priority setting and streamlining the intergovernmental machinery to be of the outmost importance. The report, however, makes only passing references to these problems and touches lightly on the issue of intergovernmental micromanagement, which is recognized by many observers as a real impediment to more effective management of the Secretariat.

4. A related problem is whether the present ratio of resources devoted by the Secretariat to monitoring, reporting, evaluation and oversight (both internal and external) as mandated by Member States, compared to those resources allocated to carrying out substantive tasks, is an optimal one. Currently, monitoring and oversight submissions by the Secretariat include reports to the Advisory Committee on Administrative and Budgetary Questions, the Committee for Programme and Coordination, the Office of Internal Oversight Services, the Joint Inspection Unit, the United Nations Board of Auditors, as well as such other substantive oversight bodies as the Committee on Conferences, the Committee on Information, the Population Commission, the Statistical Commission, the Special

Committee on Peace-keeping Operations, etc. Such oversight modalities often put a heavy burden on the Secretariat and are not always conducive to the effective implementation of substantive activities. While stressing the value of monitoring programme performance, the report could have been more helpful by suggesting ways to streamline the reporting mechanisms and to simplify and make more uniform the programme performance reporting system.

5. The Secretary-General also believes that the report would have had added value if it had addressed in depth another interesting point that was only peripherally referred to. Namely, in commenting on a rapid expansion in recent years of peace-keeping and humanitarian operations worldwide, the report (in para. 16 (c)) states that "the amazing thing, however, is that the Secretariat avoided a total administrative systems breakdown in the face of unexpected, massive and fast-moving field operations of a type and scale that the Organization has never faced before." Unfortunately, the report makes no further allusion to the Secretariat's capability to cope more than adequately with unexpected, unprecedented and heavy additional demands in the situation of irregular financial inflows and in the absence of any contingency reserves. However, the point could be made that, for all its acknowledged managerial shortcomings, the Organization evidently has some capacity for managerial resourcefulness, flexibility and stamina as well as staff of sufficient dedication and competence to allow it to manage in such testing circumstances. The report could have been more helpful by identifying the pivotal factors underlining this accomplishment and suggesting how to build on and buttress them in advancing the management reform.

6. The above omissions notwithstanding, the Secretary-General recognizes that the report displays a thorough and extensive analysis with an excellent sense of perspective. It provides plentiful food for thought in assessing the progress to date and determining the way ahead in the reform of management in the United Nations. The Secretary-General is also pleased to note that the thrust and sense of the report's recommendations dovetail with the course of reform pursued by the Secretariat, and that in a number of cases the report's proposals either are implemented or have been initiated by the management, although not necessarily in the exact manner suggested in the report.

7. Before setting forth a specific response to the report's recommendations, it is well to summarize the basic thrust of the Secretary-General's Management Plan. The ongoing reform of the Secretariat is organized around five strategic management objectives:

(a) Better management of the Organization's cost structure and an enhanced programme for promoting efficiency and cost-effectiveness;

(b) Better management of the Organization's programme of work, from the identification of strategic priorities through the budgetary process by which resources are allocated to achieve these priorities and through a performance measurement system;

(c) Better management of human resources, together with improvement in staff member capabilities and accomplishments;

(d) Better information with which to manage, and its timely availability;

(e) Better management of technology, and extension of its availability throughout the Organization.

Despite the increasing budgetary constraints, accomplishments and advances have been made in all five areas. Conditions for further improvements have been created, and the progress continues.

II. COMMENTS ON RECOMMENDATIONS

Recommendation 1

8. The Secretary-General concurs with the thrust of the recommendation. However, given the current resources constraints, he has opted for strategic policy advice to be provided by his senior managers. The Advisory Panel on Management and Finance, which focuses on strategic managerial issues of the ongoing reform, fulfils this function, reviewing cost-effective ways of implementing mandates, rationalizing work programmes and technological innovations and addressing new initiatives in enhancing management, accountability and oversight.

9. The Advisory Panel benefits from the advice and recommendations of the Efficiency Board, which, in close collaboration with programme managers, focuses on those activities where efficiency and cost-effectiveness can be improved. It has already identified concrete short-term efficiencies that reduce costs without affecting programmes and activities, primarily through restructuring or simplification of organizational structure to improve quality and timeliness of activities and services. The work of the Efficiency Board in specific programme areas is supported by the efforts of specialized working groups tasked with developing and implementing necessary adjustments in procedures and techniques within their level of competence and providing recommendations to the Advisory Panel and the Efficiency Board, as appropriate, on changes of a systemic nature. Such "tactical" reform centres range from the Secretary-General's Task Force on Peace-keeping Operations and the Working Group on United Nations information strategies to working groups in the areas of procurement reform; outsourcing options in printing, documentation and other conference services; performance evaluation and human resources planning and others; elimination of duplication and overlap in programme delivery; and deployment of advanced technology.

10. Although the above mechanism functions to the Secretary-General's satisfaction, the establishment of a strategic planning unit will continue to remain on the agenda.

Recommendation 2

11. The Secretary-General concurs with the recommendation. He believes that the implementation of the new performance management system will contribute greatly towards achieving this recommendation. The performance management cycle is intended to begin with the development of work plans at every organizational level, from the department down to the work unit, and the linking of individual

work plans to those of the overall work unit. Time-limited objectives have been, and will increasingly be, included in work plans at every level. The Secretary-General will continue efforts to improve planning and reporting tools in line with this recommendation.

Recommendation 3

12. The Secretary-General agrees with the need to make management and performance reporting to the Fifth Committee more understandable, timely, action-oriented and focused and would like to note that the format of the recently completed performance report for the 1994-1995 biennium brought about improvements beyond earlier efforts. Work will continue on improving the format and contents of reporting. In this context, however, it is important to recognize the perils of excessive reporting (as noted in paras. 165 (i) and (j) of the report) and to formulate new measures with a view to enhancing the quality of reporting while reducing the excessive reporting load.

Recommendation 4

13. The Secretary-General supports the thrust of this recommendation addressed to the Fifth Committee and is ready to cooperate with Member States towards this end. However, the modalities of its implementation should be carefully worked out so that the right balance can be struck between strengthening the mandated intergovernmental oversight and avoiding the creation of a system which would lead to even more bureaucracy than exists at present. The current staffing constraints in regard to substantive activities as well as the implications in terms of increased documentation and conference-servicing requirements, at a time when persistent efforts are being made to limit the continued growth in the workloads of Conference Services, should also be weighted against the presumed benefits of establishing a new machinery.

III. SPECIFIC COMMENTS

Planning and Development Service of the Office of Human Resources Management (para. 21)

14. Both the planning and the development functions of human resources management are currently fully staffed and operational. Subsequent to the recent structural adjustment in the Office of Human Resources Management (OHRM) in line with General Assembly resolutions 50/214 and 50/215 A to C, the function of human resources planning is incorporated into the Operational Services Division, whereas Staff Development Services becomes a part of the Specialist Services Division and brings together examinations, training and staff development programmes, performance management, career support and counselling. Staff Development Services is responsible for implementing, in an integrated manner, the performance management, staff development and career support functions of OHRM.

Performance appraisal system (paras. 36-45)

15. The design of the new performance appraisal system (PAS) was finalized in January 1995. An intensive training programme was undertaken to introduce staff at all levels and all duty stations to the principles of performance management, work planning, giving and receiving feedback, as well as mechanics of the new system. Between January 1995 and July 1996, some 10,000 staff have been trained. Each department and office has a performance cycle of either 1 January to 31 December or 1 April to 31 March. Full implementation of PAS commenced on 1 January or 1 April 1996. After one full cycle has been completed, it will be reviewed in the light of the experience of the first year and revised to ensure that it is effectively meeting the needs of the Organization and of its staff. At least one focal point has been designated in every department and office in order to coordinate and monitor training and implementation. Implementation is being monitored by means of questionnaires, interviews and review of sample work plans. Technical support in the form of assistance with developing work plans and establishing performance standards is being provided by OHRM. Upon completion of the first cycle, PAS records will be monitored through the respective Executive Offices.

Absence of management services unit in the Secretariat (para. 50)

16. The Secretary-General shares this concern. However, he is encouraged by the fact that the Audit and Management Consulting Division of the Office of Internal Oversight Services puts a strong emphasis on management auditing, which is focused on the economy, efficiency and effectiveness of operations, systems and procedures, and that the Division has adopted a policy of including a management audit perspective in all major audit assignments. a/ Given the proactive stance adopted by auditors of the Office of Internal Oversight Services in offering their audit experience as advice to management, it can become a valuable source of expertise for the improvement of accountability and responsibility components of the overall management reform.

Inadequate early implementation of the integrated management information system (IMIS) (para. 57)

17. The observation that inadequate early implementation of IMIS resulted in extensive work-flow analysis which largely computerized the existing work-flow patterns is incorrect. On the contrary, in the course of work-flow analysis and the subsequent implementation of IMIS, many administrative, financial and personnel processes were streamlined and simplified.

Administration of justice (paras. 75-80)

18. The reform of the internal system of justice, proposed by the Secretary-General, b/ is being considered by the General Assembly. The purpose of the proposed reform is threefold:

(a) To enhance earlier reconciliation and resolution of disputes;

(b) To professionalize appeals and disciplinary boards and make their work more expeditious and fair;

(c) To provide a cost-effective and simple justice system.

Downsizing pressures (paras. 125-139)

19. The report's observations on this issue are noted. The Organization is currently carrying out a substantive review and reduction of its staff costs in order to achieve the vacancy rate and budget decrease mandated by the General Assembly in its resolutions 50/214 and 50/215 A of 23 December 1995. In order to protect the career international civil service in the process, full use is made of attrition, non-retention of staff beyond retirement age, a freeze in external recruitment, except for essential specialist skills, and of an early separation programme. The modalities of a reduction in staff costs and redeployment attach priority to programmatic and structural considerations as well as staff skills and performance. c/

Share of common support services (para. 137)

20. It should be noted that Conference Services are part of the 36 per cent share of common support services in the United Nations regular budget. While this aggregation is consistent with the current structure of the programme budget, it underscores once again that aggregating conference services with facilities management and general administration, in order to justify a call for a reduction in support costs, diminishes the essential role of conference services in relation to substantive programmes. The specificity of the management of conference services might have been given greater elaboration in the JIU report.

"Thousands of small public information outputs" (para. 163)

21. This observation is not factual; the Department of Public Information published a total of 82 public information materials in 1995, including institutional and reference publications and publications on thematic issues. It should be noted that the Department has, over the years, been confronted with a growing web of mandates resulting from the United Nations being at centre stage in world affairs. The Department of Public Information is not in a position to ignore mandates given by intergovernmental bodies. It should also be noted that, in most cases, public information activities in response to current events cannot be forecast years in advance.

Notes

a/ "The Office of Internal Oversight Services: its genesis, its mission, its working methods, its impact" (DPI/1769, February 1996), p. 8.

b/ See A/C.5/50/2.

c/ See ST/AI/415.